

Message Text

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73

ACTION ARA-20

INFO OCT-01 ISO-00 IO-14 OIC-04 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 EB-11 TRSE-00 OMB-01 AID-20 DRC-01 /146 W

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P R 312115Z MAY 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 276

INFO AMEMBASSY BUENOS AIRES

C O N F I D E N T I A L LIMA 4218

EO 11652: GDS

TAGS: PFOR, OAS, EGEN, ETRD, BDIS, PE

SUBJ: FOREIGN MINISTRY PREFERES OAS COMPLETE ITS

COMPLIATION PRIOR TO FORMATION MFM WORKING GROUP ON MNC'S

REFS: LIMA 4151, 3902, STATE 111288, 92124, ATLANTA 51

SUMMARY: PERUVIAN FOREIGN MINISTRY OFFICIALLY NOTIFIED EMBASSY BY AIDE-MEMOIRE AND IN DISCUSSION MAY 29 THAT PERU BELIEVES CREATION OF SEPARATE WORKING GROUP ON MNC'S TO BE PREMATURE, AND THAT MOST PERU WOULD BE PREPARED SUPPORT AT THIS TIME IS CREATION OF A SMALL WORKING GROUP UNDER AUSPICES OF OAS PERMANENT COUNCIL TO COMPILE INFORMATION CALLED FOR BY OASGA RESOLUTION ON THIS SUBJECT PASSED IN ATLANTA. FOREIGN MINISTRY STATES FURTHER THAT GIVEN GREAT IMPORTANCE THIS SUBJECT, RULES OF CONDUCT FOR MNC'S SHOULD NOT BE CONSIDERED PRIOR TO COMPIATION OF EXISTING DOCUMENTS ON SUBJECT WHICH WILL REQUIRE EVALUATION BY MEMBER GOVERNMENTS IN PREPARATION FOR MFM MEETING IN BUENOS AIRES IN 1975. THUS GOP CAN ONLY SUPPORT IDEA OF AN INITIAL MFM WORKING GROUP ON MNC'S AFTER NOVEMBER 1, DATE BY WHICH OASGA RESOLUTION CALLS FOR OAS SECRETARY GENERAL TO FINISH COMPIATION.

2. INFORMALLY, FOREIGN MINISTRY OFFICIAL SAID THAT IF
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MFM WORKING GROUP WERE CONSTITUTED IN JULY (SATE 111288),

PERU WOULD PROBABLY PARTICIPATE. HE COMMENTED THAT PERU IS ACCUSTOMED TO GOING IT ALONE, EVEN THOUGH A MAJORITY OF LATIN AMERICAN COUNTRIES HAVE NOW AGREED TO IDEA OF SEPARATE MFM WORKING GROUP ON MNC'S. EMBASSY BELIEVES PERUVIAN OPPOSITION TO SEPARATE GROUP BASED BOTH ON DESIRE PERU SEE OAS ROLE ENHANCED AS VITAL REGIONAL ORGAIZATION, AND ALSO FEAR THAT SEPARATE BODY (NOT UNDER OAS AUSPICES) MIGHT BE MORE DIFFICULT TO INFLUENCE. FINALLY, MINISTRY'S DOUBTS ABOUT LEVEL OF PERUVIAN COMPETENCE TO DISCUSS TECHNICAL ASPECT OF MNC OPERATIONS ARE QUITE EVIDENT, A FACT WHICH TENDS TO INFLUENCE THEM TO POSTPONE DAY OF RECKONING FOR AS LONG AS POSSIBLE. END SUMMARY.

3. OSWALDO DE RIVERO BARRETO, FOREIGN MINISTRY OFFICIAL RESPONSIBLE FOR UN AFFAIRS, CALLED IN EMBASSY OFFICER MAY 29 TO PRESENT FOREIGN MINISTRY'S RESPONSE TO ISSUE OF MFM WORKING GROUP ON MNC'S. RESPONSE WAS IN FORM OF AIDE MEMOIRE AND ALSO ORAL EXPLANATION. THE AIDE MEMOIRE STATES THAT PERU AGREES WITH THE UNDERSTANDING REACHED IN MFM MEETING IN WASHINGTON THAT A WORKING GROUP PREPARE A DOCUMENT CONTAINING PRINCIPLES OF CONDUCT TO BE APPLIED TO MNC'S AND THAT SUCH A GROUP SHOULD MEET "TWO MONTHS PRIOR TO THE DATE ON WHICH THE BUENOS AIRES CONFERENCE WILL BEGIN." THE AIDE MEMOIRE CONTINUES THAT IT IS NECESSARY TO NOTE THAT THE AGREEMENT IN WASHINGTON ON THE DRAWING UP OF PRINCIPLES TO BE APPLIED TO MNC'S SHOULD INCLUDE UN AND OTHER INTERNATIONAL ORGANIZATION REPORTS. CONSEQUENTLY, FOLLOWING THE WASHINGTON MEETING, OASGA ADOPTED A RESOLUTION ON MNC'S, RECOMMENDING TO PERMANENT COUNCIL THAT THE SECRETARY GENERAL MAKE AN ORDERLY COMPILATION OF ALL SUCH STUDIES DONE BY THE OAS AS WELL AS OTHER INTERNATIONAL ORGANIZATIONS ON THE NATURE, LEGAL STRUCTURE, ECONOMIC CHARACTERISTICS, OPERATING METHODS, AND BENEFITS TO ECONOMIC DEVELOPMENT OF MNC'S IN THE REGION. SUCH A STUDY SHOULD BE COMPLETED PRIOR TO OCTOBER 31, 1974.

4. AIDE MEMOIRE (AND RIVERO) WENT ON TO STATE THAT PERU WOULD SUPPORT CREATION OF A SMALL WORKING GROUP OF THE PERMANENT COUNCIL TO UNDERTAKE THIS WORK IN CONFIDENTIAL

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ORDER TO MAKE HEADWAY (DINAMIZAR) AS WELL AS TO EXCHANGE IDEAS ON FUTURE ROLE OF MFM WORKING GROUP. NOTE CONTINUES THAT PERU BELIEVES THAT THE IMPORTANCE OF THIS ISSUE IS SUCH THAT MEETINGS SHOULD NOT BE UNDERTAKEN PRIOR TO THE OAS COMPIILATION. THE COMPIILATION WILL THEN BE EVALUATED BY ALL MEMBER GOVERNMENTS WITH A VIEW TOWARD SPECIFIC STEPS WHICH THE MFM WORKING GROUP WOULD RECOMMEND IN JANUARY, 1975. THUS, PERU IS ONLY ABLE TO

AGREE TO HOLD FIRST XFM WORKING GROUP MEETING
AFTER NOVEMBER 1, 1974 SINCE IT CONSIDERS USG PROPOSED
DATE FOR WORKING GROUP PREMATURE AND BELIEVES THAT OAS
INFORMATION SHOULD FIRST BE MADE AVAILABLE IN ORDER TO
ACHIEVE THE OBJECTIVE OF THE WASHINGTON COMMUNIQUE,
WHICH CALLS FOR THE FORMATION OF A WORKING GROUP
IN JANUARY, 1975.

5. EMBASSY OFFICER TOLD RIVERO THAT, IN ANY CASE, THE
MFM MEETING ON MNC'S HAS NOW BEEN POSTPONED UNTIL JULY 8-11
(STATE 111288). HE ALSO NOTED THAT MAJORITY OF LATIN
AMERICAN COUNTRIES HAVE AGREED TO PARTICIPATE AND
ASKED IF PERU WOULD DO SO SHOULD IT BE DECIDED TO
HOLD THE MEETING. RIVERO SAID HE DID NOT KNOW IF ANY
OTHER LATIN COUNTRIES HAVE ADOPTED PERUVIAN POSITION, BUT
THAT PERU OFTEN TAKES POSITIONS WHICH ARE NOT SUPPORTED
BY MOST OTHERS. HOWEVER, RIVERO SURMISED THAT IN FINAL
ANALYSIS PERU WOULD PARTICIPATE IF MEETING ACTUALLY
MATERIALIZES.

6. COMMENT AND ACTION REQUEST: FROM PREVIOUS REPORTING
THIS SUBJECT, IT CLEAR THAT PERU BOTH WISHES TO ENHANCE
ROLE OF OAS IN FORMATION OF MNC POLICIES AND TO DIMINISH
INDEPENDENT ROLE FOR MFM BODY. GIVEN STATEMENT CONTAINED
IN PARAGRAPH 3 OF ATLANTA 51, HOWEVER, TO THE EFFECT THAT
"THE OUTCOME OF THE MEETING WAS A ROLE FOR THE OAS IN THE
STUDY OF MNC'S, BUT A GENERAL UNDERSTANDING THAT IT WOULD
BE SECONDARY TO THE MFM STUDY," WE BELIEVE THAT THE DEPART-
MENT MAY WISH TO CONSIDER OUT TAKING NOTE OF THE PERUVIAN
POSITION OFFICIALLY AND ALSO POINTING OUT THAT WE DO NOT
BELIEVE ONE NEED INTERFERE WITH THE OTHER.

7. WE PRESUME DEPARTMENT WILL WISH AWAIT RECEIPT RESPONSES
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FROM OTHER LATINS BEFORE OFFICIALLY REPLYING TO PERUVIANS
ON THIS OR ANY OTHER POINTS WE MIGHT WISH MAKE. IN THIS
REGARD, IT WOULD BE USEFUL, SHOULD WE DECIDE TO
RESPOND OFFICIALLY, TO HAVE ANY AVAILABLE INFORMATION
RE BASIS TECHNICAL DISCUSSIONS REQUESTED LIMA 3902.

8. EMBASSY POUCHING AIDE MEMOIRE.
DEAN

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